



## Senate

General Assembly

**File No. 318**

February Session, 2004

Substitute Senate Bill No. 404

*Senate, March 30, 2004*

The Committee on Government Administration and Elections reported through SEN. DEFRONZO of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### **AN ACT CONCERNING MAXIMIZATION OF FEDERAL FUNDS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2004*) (a) Each state agency shall
- 2 (1) maximize the extent to which it accesses federal funds that are
- 3 available to states from the federal government, and (2) within
- 4 available resources, annually assess the federal funds that such agency
- 5 accesses, the federal funds that it could but does not access and the
- 6 reasons it does not access such funds, and which funds it may access in
- 7 the future. Not later than January first, annually, each state agency,
- 8 within available resources, shall submit a report on its progress,
- 9 findings and recommendations under subdivisions (1) and (2) of this
- 10 subsection, to the Office of Policy and Management, the joint standing
- 11 committee of the General Assembly having cognizance of matters
- 12 relating to the appropriations of state agencies and the Office of Fiscal
- 13 Analysis.

14 (b) The Office of Policy and Management, in consultation with the  
15 Office of Fiscal Analysis and within available resources, shall  
16 recommend and design actions that may be taken to increase the level  
17 of federal funds accessed by the state, including, but not limited to,  
18 potential applications for competitive grants, qualifications for bonus  
19 awards such as welfare bonuses, child support federal incentive  
20 payments, adoption bonuses and new food stamp performance  
21 bonuses, the maximization of federal Medicaid funds, and applications  
22 for new health, human services, education and homeland security  
23 resources, when available.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>

**GAE**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
All	GF - Revenue Gain	Potential Significant	Potential Significant
Legislative Mgmt.; Policy & Mgmt., Off.	GF - Cost	None w/in Avail. Approps	None w/in Avail. Approps

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

The bill requires the Office of Policy and Management (OPM) to consult with the General Assembly's Office of Fiscal Analysis (OFA) to develop recommendations and design actions to maximize federal revenue. These actions shall include the development of possible applications for competitive grants, the qualifications for bonus awards, the maximization of Medicaid funds and the applications for certain new funds when they become available. The bill requires that OPM and OFA perform these duties within available resources, yet there are no such resources available for this purpose.

Additionally, the bill requires all state agencies to assess federal funds that are available and annually assess the federal funds that the agencies access, the federal funds that it could but does not access and the reasons it does not access such funds, and the funds it may access in the future. Each state agency is required to annually report their findings to OPM, OFA and the Appropriations Committee. Currently, many state agencies assess federal funds that may be available to them, and for these agencies no additional costs would result, yet agencies that do not perform such analysis may incur costs. All state agencies would incur minimal costs to annually report the reasons the agencies

do not access federal funds and identify which funds it may access in the future. The bill requires that agencies complete these duties within available resources, however no such resources exist for this purpose. To the extent that agencies are successful in obtaining federal funds they would not have otherwise identified or applied for, a potentially significant revenue gain may result.

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**OLR Bill Analysis**

sSB 404

**AN ACT CONCERNING MAXIMIZATION OF FEDERAL FUNDS****SUMMARY:**

This bill directs each state agency to (1) maximize the extent to which it accesses federal funds available to states and (2) within available resources, annually assess the federal funds it accesses, federal funds that it could but does not access and the reasons it does not, and which funds it may access in the future. By January 1 annually, the bill requires each state agency, within available resources, to report on its progress, findings, and recommendations with respect to federal funds to the Office of Policy and Management (OPM), the Appropriations Committee, and the Office of Fiscal Analysis (OFA).

The bill requires OPM, in consultation with OFA and within available resources, to recommend and develop a plan to increase the amount of federal funds the state accesses, including (1) potential applications for competitive grants; (2) qualifications for bonus awards such as welfare bonuses, child support federal incentive payments, adoption bonuses, and new food stamp performance bonuses; (3) maximizing federal Medicaid funds; and (4) applications for new health, human services, education, and homeland security resources, when available.

EFFECTIVE DATE: July 1, 2004

**BACKGROUND*****Related Bill***

SB 426, which the Human Services Committee reported favorably on March 11, requires the commissioners of the Department of Social Services and Department of Children and Families to maximize the use of federal funds for their programs and activities.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute  
Yea 17 Nay 0